

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL MEMORANDUM**

**HB 7008 – SB 7006**  
**FIRST EXTRAORDINARY SESSION**  
January 20, 2010

**SUMMARY OF AMENDMENTS (012521, 012513, 012512, 012517, 012515, 012511, 012557, 012596):** Amendment 012521 requires the Tennessee Higher Education Commission (THEC) to submit a comparative analysis of projected funds to be received by each public higher education institution under the revised funding formula and the old funding formula to the chairs of the Education and Finance, Ways, and Means Committees of the General Assembly. The analysis shall be calculated as though the old funding formula was in effect for FY11-12.

Amendment 012513 establishes a goal of fostering and promoting research in science, technology, engineering, and mathematics that encourages entrepreneurship in these areas.

Amendment 012512 requires THEC to send the annual report on revisions and recommendations to the higher education funding formula and master plan to the Finance, Ways, and Means Committees of the General Assembly and deletes the requirement that the Select Oversight Committee on Education receive this report.

Amendment 012517 requires THEC to include input from public universities and community colleges when rewriting the state public higher education master plan.

Amendment 012515 requires THEC to consider funding factors that are unique to community colleges when rewriting the public higher education funding formula.

Amendment 012511 requires THEC to report any projected tuition increases for the next academic year to the Office of Legislative Budget Analysis and the Comptroller of the Treasury by December 1<sup>st</sup> each year.

Amendment 012557 prohibits any part of the original bill from interfering with research and related activities that are consistent with an institution's mission. Changes references related to fostering of economic growth and increasing the number of science, technology, engineering, and mathematics doctoral students and collaborative research and development by interdisciplinary teams to include other public state universities and their faculty.

Requires the Memphis Research Consortium to explore and develop strategies and plans for establishing and enhancing research and development opportunities in public health and related fields. Requires the Consortium to make a report on the progress of these plans and strategies to the Education Committees of the General Assembly by February 1, 2011.

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Amendment 012596 requires THEC to consider the views of chief operating academic officers and faculty senates of respective campuses when developing the common 60-hour instructional tract program.

#### FISCAL IMPACT OF ORIGINAL BILL:

Increase State Expenditures - \$1,037,000/FY 10-11  
\$1,744,000/FY 11-12  
\$3,411,500/FY 12-13

Other Fiscal Impact – Substantial funds from recurring appropriations of state revenue and other funding sources will be shifted from existing programs and activities of THEC, TBR, and UT to fund development and implementation of the new statewide master plan for higher education, articulation agreements between two-year and four-year public institutions, and remedial education programs. THEC, TBR, and UT are unable to specify the amount of funds and resources that will be shifted and are unable to identify the current programs that will be affected. New state appropriations to fund these activities will not be made.

The first three years of the UT-ORNL collaboration agreement will require a non-recurring state appropriation totaling \$6,192,500. Expenditures from this appropriation will be spread over three fiscal years. Non-recurring funding in the amount of \$6,000,000 is included in the appropriations bill to fund this legislation. If the federal grants and contract monies available for the UT-ORNL collaboration agreement at the end of the three-year state appropriation period for FY13-14 and thereafter are not enough to fully fund the program, the program will be scaled back or another source of funds will be required.

#### FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENTS:

**Unchanged from the original fiscal note.**

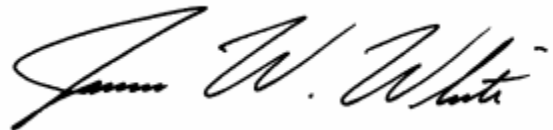
Assumptions applied to amendments:

- Amendment 012521 – Any increase in state expenditures for THEC to submit this analysis to the General Assembly is estimated to be not significant.
- Amendment 012513 – No fiscal impact on state government.
- Amendment 012512 – Changing the committee that the annual report on recommended changes in the public higher education funding formula and master plan goes to will have no fiscal impact on state government.
- Amendment 012517 – Requiring input from these stakeholders will have no fiscal impact on state government.
- Amendment 012515 – Requiring specific factors to be considered in the rewritten public higher education funding formula will have no impact on state government.

- Amendment 012511 – Any increase in state expenditures for THEC to submit a report on projected tuition increases to these entities is estimated to be not significant.
- Amendment 012557 – Changing references and goals to include other state universities besides the University of Tennessee will have no fiscal impact on state or local government. Any increase in state or local expenditures for the Memphis Research Consortium to develop and enhance collaborative plans and strategies in public health care and related fields are estimated to be not significant.
- Amendment 012596 – Requiring THEC to consider views of chief academic officers and faculty senates of respective campuses when developing a common 60-hour instruction tract will have no fiscal impact on state government.

**CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a larger, more prominent script than the last name "White".

James W. White, Executive Director

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